

RESOLUTION APPROVING THE ISSUANCE OF NOT TO EXCEED \$25,000,000 OF SAN ANTONIO HOUSING TRUST FINANCE CORPORATION SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2002 AND MORTGAGE CREDIT CERTIFICATES; AND CERTAIN RELATED ACTIONS

WHEREAS, the San Antonio Housing Trust Finance Corporation (the "Issuer") has been duly created and organized by the City of San Antonio, Texas (the "City") pursuant to and in accordance with the provisions of the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the "Act"), for the purpose of providing a means of financing the costs of residential ownership and development that will provide decent, safe and sanitary housing for persons of low and moderate income at prices they can afford; and

WHEREAS, the Act authorizes the Issuer (a) to make and acquire, and to enter into advance commitments to make and acquire, home mortgage loans to persons of low and moderate income for homes within the City; (b) to issue its bonds for the purpose of obtaining funds to make or acquire such home mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from such home mortgage loans, and to mortgage, pledge or grant security interests in such home mortgages, notes or other property of the Issuer, to secure the payment of the principal of, premium, if any, and interest on such bonds; and

WHEREAS, the Issuer has determined that there exists within the City a shortage of decent, safe and sanitary housing for persons and families of low and moderate income at prices or rentals they can afford; that there further exists within the City a shortage of home mortgage loan funds at affordable interest rates; and that such shortages are neither transitory nor self-curing; and

WHEREAS, the Board of Directors of the Issuer has heretofore determined to adopt and implement a Single Family Mortgage Purchase Program, Series 2002 (the "Program") to assist persons of low and moderate income within the City to afford the costs of acquiring and owning decent, safe and sanitary housing; and

WHEREAS, section 103(a) and section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences shall be exempt from federal income taxation if such issue meets certain requirements set forth in such section 143; and

WHEREAS, in order to carry out the Program, the Issuer, Bexar County Housing Finance Corporation ("BCFHC"), The Leader Mortgage Company, as Master Servicer (the "Master Servicer"), and various commercial lending institutions doing business in the City (the "Participants"), propose to enter into an Origination and Servicing Agreement dated as of June 1, 2002 (the "Agreement"), pursuant to which (a) the Issuer and BCFHC have agreed to use their best efforts to issue their respective bonds in an amount sufficient to enable the Issuer and

BCHF to acquire Government National Mortgage Association Certificates (the "GNMA Certificates") and Fannie Mae securities (the "Fannie Mae Certificates") (the "GNMA Certificates" and the "Fannie Mae Certificates", collectively, the "Mortgage Certificates") backed by certain qualified home mortgage loans made to persons of low and moderate income (the "Mortgage Loans"); (b) the Master Servicer has agreed to accept general responsibility for monitoring the Participants' performance, preparing certain periodic reports, and performing certain other duties, including servicing the Mortgage Loans, in connection with the Program; (c) the Participants have agreed to originate and sell the Mortgage Loans; and (d) the Issuer, BCHFC, the Master Servicer and the Participants each agree to perform certain actions and to follow reasonable procedures to ensure compliance with section 143 of the Code; and

WHEREAS, in order to carry out the Program, the Board of Directors of the Issuer has determined that the Issuer shall issue its Single Family Mortgage Revenue Bonds, Series 2002, in the aggregate principal amount of not to exceed \$25,000,000 (the "Bonds"), pursuant to a Trust Indenture dated as of June 1, 2002 (the "Indenture") between the Issuer and Bank One, National Association, as trustee, for the purpose of obtaining funds to pay certain costs incurred in connection with the issuance of the Bonds and the acquisition of the Mortgage Certificates, all under and in accordance with the Constitution and statutes of the State of Texas; and

WHEREAS, the Issuer has determined to sell the Bonds, in a private placement, to Fannie Mae pursuant to a Purchase Contract (the "Purchase Contract"); and

WHEREAS, a public hearing with respect to the Bonds was held on June 12, 2002, at 9:00 a.m. CDT in accordance with duly published notice; and

WHEREAS, the Board of Directors of the Issuer has also determined to adopt and implement a Mortgage Credit Certificate Program (the "MCC Program") as described in the attached Resolution to assist persons of low and moderate income within the City to afford the costs of acquiring and owning decent, safe and sanitary housing; and

WHEREAS, the Board of Directors of the Issuer has approved a Resolution authorizing the issuance of the Bonds and the execution of all documents related to the Program, the issuance of the Bonds, the execution of all documents related to the MCC Program, and certain related matters; and

WHEREAS, the City Council hereby finds and determines that the adoption of this Resolution and the issuance of the Bonds and the MCC's is in the best interest of the citizens of the City; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code as amended; and

WHEREAS, it is deemed necessary and advisable that this Resolution be adopted; **NOW THEREFORE:**

EXHIBIT A

SAHTFC Resolution

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. Approval of the Bonds and the Bond Resolution. The "RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$25,000,000 OF SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2002; APPROVING THE FORM AND SUBSTANCE OF A TRUST INDENTURE, AN ORIGINATION AND SERVICING AGREEMENT, A PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, AND AN OFFERING DOCUMENT; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT A SINGLE FAMILY MORTGAGE PURCHASE PROGRAM; AUTHORIZING A MORTGAGE CREDIT CERTIFICATE PROGRAM; AUTHORIZING A LOAN FROM SAN ANTONIO HOUSING TRUST FOUNDATION, INC.; AUTHORIZING AN AGREEMENT WITH BEXAR COUNTY HOUSING FINANCE CORPORATION; NAMING THE SAN ANTONIO HOUSING TRUST FOUNDATION, INC. TO PROVIDE STAFF SERVICES TO THE CORPORATION; MAKING CERTAIN FINDINGS AND DETERMINATIONS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT", in substantially the form and substance attached to this Resolution as Exhibit A and made a part hereof for all purposes, is hereby specifically approved, and the Bonds and the MCC's may be issued and all other actions taken by the Corporation as provided for therein.

SECTION 2. Purpose of Approvals; No Liability of the City. The approvals contained herein are for the purposes of complying with section 147(f) of the Internal Revenue Code of 1986, as amended, and the Bylaws of the Issuer, and the City shall have no liability for the payment of the Bonds nor shall any of its assets be pledged to the payment of the Bonds.

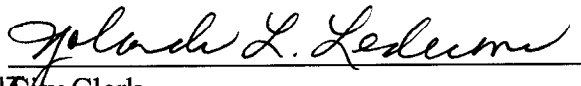
SECTION 3. Effective Date. This Resolution shall become effective upon the expiration of ten (10) days following its passage.

PASSED AND APPROVED THIS 20th DAY OF JUNE, 2002.




Mayor **EDWARD D. GARZA**

Attest:



ASSISTANT City Clerk

APPROVED AS TO FORM: 

for City Attorney

RTIFICATE OF CITY CLERK

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 20th day of June, 2002, the City Council (the "Council") of the City of San Antonio, Texas (the "City") convened in regular session at its regular meeting place in the Municipal Plaza Building of the City (the "Meeting"), the duly constituted members of the Council being as follows:

Ed Garza	Mayor
John H. Sanders	Mayor Pro Tem, Councilmember District 2
Bobby Perez	Councilmember, District 1
Antionette Moorhouse	Councilmember, District 3
Enrique Martin	Councilmember, District 4
David A. Garcia	Councilmember, District 5
Enrique M. Barrera	Councilmember, District 6
Julian Castro	Councilmember, District 7
Bonnie Conner	Councilmember, District 8
Carroll Schubert	Councilmember, District 9
David Carpenter	Councilmember, District 10

and all of such persons were present at the Meeting, except the following:
Martin,
 thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the "Resolution") entitled:

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was introduced and submitted to the Council for passage and adoption. After presentation and due consideration of the Resolution, a motion was made by Councilmember Perez that the Resolution be finally passed and adopted in accordance with the City's Home Rule Charter. The motion was seconded by Councilmember Sanders and carried by the following vote:

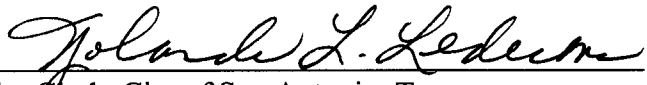
10 voted "For" 0 voted "Against" 0 abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council of the City on the date of the Meeting are those persons shown above, and, according to the records of my office, each

member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 20th day of June, 2002.



City Clerk, City of San Antonio, Texas

